

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

-----X
In re: PROMESA
Title III
THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,
Case No. 17 BK 3283-LTS
as representative of
THE COMMONWEALTH OF PUERTO RICO, et al., (Jointly Administered)
Debtors.¹
-----X

FINAL REPORT OF THE MEDIATION TEAM

The Mediation Team appointed in the Title III Cases respectfully submits its final report to the Court:

1. On June 23, 2017, given the challenges that these cases and the parties faced, the Court took the extraordinary step of ordering the appointment of five sitting federal judges to serve as the Mediation Team in these cases. The Mediation Team was asked to facilitate confidential settlement negotiations of issues and proceedings arising in the Title III Cases and related proceedings.² While the composition of the Mediation Team has undergone minor

¹ The Debtors in these Title III cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the "Commonwealth") (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19 BK 5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations). The Title III cases commenced by the Commonwealth, COFINA, HTA, ERS, PREPA, and PBA are referred to herein as the "Title III Cases."

² See *Order Appointing Mediation Team* [ECF No. 430].

changes since its original appointment,³ the undersigned has had the privilege of serving as the leader of this extraordinary group of judges for the last four and a half years.⁴

2. Since its appointment, the Mediation Team has worked diligently with all mediation parties to develop agreements on the terms of debt restructures for COFINA, the Commonwealth, PBA, ERS, HTA, the Puerto Rico Infrastructure Financing Authority (“PRIFA”), and the Puerto Rico Convention Center District Authority (“CCDA”).⁵ Of course, while this work was ongoing, Puerto Rico and the people of Puerto Rico faced many other challenges including Hurricane Maria, political unrest resulting in the resignation of a sitting Governor, earthquakes, and a worldwide pandemic to name just a few.

3. Mediated agreements have led to confirmation of a substantially consensual plan of adjustment for COFINA, the filing of a substantially consensual joint plan of adjustment for the Commonwealth, PBA, and ERS, and the filing of substantially consensual Title VI qualifying modifications for PRIFA and CCDA. In the *Order Regarding Plan Modifications Necessary to the Entry of an Order Confirming Plan of Adjustment for the Commonwealth of Puerto Rico, the Employees Retirement System of the Government of the Commonwealth of Puerto Rico, and the Puerto Rico Buildings Authority* [ECF No. 19721] entered on January 10, 2022, the Court has

³ When first appointed, the members of the Mediation Team included Judge Thomas Ambro (3d Cir.), Judge Nancy Atlas (S.D. Tex.), Judge Victor Marrero (S.D.N.Y.), Judge Christopher Klein (Bankr. E.D. Cal.), and the undersigned as mediation team leader. Judge Roberta Colton (Bankr. M.D. Fla.) was appointed as a member of the Mediation Team on November 22, 2017, in conjunction with Judge Klein’s resignation from the team. Judge Marrero resigned from the team effective December 28, 2020.

⁴ The Mediation Team also recognizes the extraordinary contributions of its law clerk, Matthew Hindman, without whose assistance our work could not have been done. Other law clerks to the various Judge members of the Mediation Team also worked tirelessly to further the work of the Mediation Team and we wish to recognize their contributions too.

⁵ The Financial Oversight and Management Board for Puerto Rico (“FOMB”) and a substantial number of PREPA’s creditors have also executed a restructuring support agreement for PREPA outside the mediation process. The FOMB has indicated it anticipates filing a plan of adjustment for PREPA by the end of March 2022. *See Status Report of Financial Oversight and Management Board in Connection with December 15-16, 2021 Omnibus Hearing* [ECF No. 19514] at 5.

stated that it is prepared to confirm the mediated plan of adjustment for the Commonwealth, PBA and ERS, with certain minor modifications to such plan. The qualifying modifications for PRIFA and CCDA were predicated on confirmation of the Commonwealth, PBA, and ERS plan and are anticipated to be approved either contemporaneously with or shortly after the entry of such a confirmation order. Finally, the FOMB has indicated that it expects to file a plan of adjustment for HTA that is consistent with the mediated HTA plan support agreement in the first quarter of this year.⁶

4. In light of the debt restructuring agreements now in place or consummated for all Title III debtors and various of their affiliated instrumentalities, the Mediation Team believes it has accomplished the ultimate task assigned to it by the Court and its work is done.

Accordingly, the Mediation Team respectfully asks that the Court enter an order dissolving the Mediation Team.

5. The Mediation Team is pleased to have played a role in facilitating debt restructuring agreements among the many mediation parties, and we are honored to have served in these complex and historic cases. On behalf of the entire Mediation Team, I want to publicly thank the mediation parties for their hard work and dedication. Mediated agreements would not have been possible without their collaboration, diligence, and creativity. But, in the end, it is our

⁶ See *id.* at 6.

sincere hope that our work contributes to a brighter future for Puerto Rico and for the people who live and work in Puerto Rico.

Dated: January 18, 2022

Respectfully submitted,

/s/ Barbara J. Houser
Honorable Barbara J. Houser
United States Bankruptcy Court
for the Northern District of Texas
Mediation Team Leader